

PROCEDURE 0620.01  
Issued August 15, 2000

SUBJECT: Obtaining State Administrative Board Approval.

APPLICATION: Executive Branch Departments and Sub-units, Community Colleges and Universities.

PURPOSE: To describe the structure and process for obtaining State Administrative Board approval as required by statute(s) and administrative guidelines.

CONTACT AGENCY: Department of Management and Budget (DMB) - State Administrative Board.

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SUMMARY: The six members of the State Administrative Board are the Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, and the Superintendent of Public Instruction. The DMB designates a Secretary to the State Administrative Board and provides for staff support.\*\*\*

The State Administrative Board exercises general supervisory control over the functional activities of all state departments, agencies, boards and commissions including, but not limited to, the approval of the expenditure of funds for contracts, grants and leases, oversight of the state capital outlay process, the settlement of small claims against the state, and contracts for copyrights and patents, and the licensing of their use. The State Administrative Board functions through 3 standing committees, which make recommendations to the Board. The State Administrative Board meets the first and third Tuesday of each month.

Board committees, and their prescribed functions:

- Finance and Claims Committee

Approves: releases of Capital Outlay funds; awards of contracts and grants of \$250,000 or more, and amendments of \$125,000 or more, for commodities or services; small claims against the State for less than \$1,000; write-offs of State receivables; disposal of State property; allotments of work orders; and, contracts for copyrights and patents, and the licensing of their use. The committee meets the Tuesday before the State Administrative Board meeting. The Secretary of the State Administrative Board prepares the agenda.

- Building Committee

Approves: awards of State construction and related professional service contracts; property leases for use by State agencies; establishment of State rental rates; matters relating to the sale and acquisition of state land, licenses, and easements. Submissions to the Committee follow the guidelines approved by the State Administrative Board resolution of October 13, 1999 for the construction contracts bidding procedure; and, the December 16, 1999 resolution defining the authority of the Director of the Department of Management and Budget for the awarding of contracts for professional service, construction and leased space. The Committee meets the Wednesday before the State Administrative Board meeting. The Department of Management and Budget, Office of Design and Construction, prepares the agenda.

- Transportation and Natural Resources Committee

Approves: awards of Michigan Department of Transportation (MDOT) contracts and agreements; Department of Natural Resources (DNR) oil, gas, and mineral leases; and, conveyances of submerged lands by the Department of Environmental Quality. The Committee meets the Wednesday before the State Administrative Board meeting. The Michigan Department of Transportation, the Michigan Department of Natural Resources and the Michigan Department of Environmental Quality prepare the agenda.

APPLICABLE FORMS: CS-138, Contractual Services Request.

DMB-1104, Claim against the State of Michigan for Personal Losses Less Than \$1,000

SAB-810, Finance and Claims Agenda Format

State Administrative Board Contract Abstract

PROCEDURES:

Proposing Agency:

- Determines the committee review schedule with which it will need to comply, and allows lead-time to prepare and submit supporting documents. Items for each Committee's agenda are due 1 week before its next regularly scheduled meeting. With the exception of emergency contracts involving health and safety issues and contracts mandated by court order, all grants and contractual agreements of \$250,000 or more; contract or grant extensions which reach the amount of \$250,000 or more; and, grant or contract amendments totaling \$125,000 or more including all subsequent amendments after the first \$125,000 amendment, must be approved by the State Administrative Board prior to the execution and expenditure of funds for the grant or contract.
- Assures that all prerequisites, including all required reviews and approvals, are met prior to submission of any type of proposal for committee action.

Procedure 0620.01

- Submits material to the appropriate committee. For submission procedures for the Finance and Claims Committee see Procedure 0620.02. For submission procedures for the Building Committee see Procedures 0110.01, .03, .05, .07, .08, and .09. Transportation submissions to the State Administrative Board are required under P.A. 17 of 1925 as amended and procedures approved by the State Administrative Board resolution of May 2, 1989. For submission procedures for the Transportation and Natural Resources Committee see Procedure 1710.17, "Permits for State Owned Mineral Rights" for Minerals Lease Management; See Procedure 1710.11 "Bottomlands - Great Lakes" for DEQ bottomland procedures; and, see procedures in the Department of Transportation's "Service Contracting Handbook" for Transportation procedures.
- Items withdrawn from the State Administrative Board agenda must be resubmitted to the appropriate Standing Committee in order to be reconsidered later by the State Administrative Board.
- Expenditure of funds by a department prior to State Administrative Board approval is considered a retroactive request for approval. A retroactive item presented to the State Administrative Board for approval, must be accompanied by a written explanation by the director of the cause for the late submission. Additionally, at the request of a Standing Committee, the director may be required to personally explain the retroactive contract or amendment at the State Administrative Board meeting prior to Board approval.

Claimant:

- For submission procedures for the Finance and Claims Committee see Procedure 0620.02.

The Secretary to the State Administrative Board:

- Prepares reports of each committee meeting.
- Prepares agenda and reports for the Finance and Claims Committee
- Prepares the minutes of the State Administrative Board Meetings.
- Forwards State Administrative Board decisions to Departments or their Sub-units.
- Forwards necessary correspondence to individuals who have filed claims against the State.
- Reviews all submissions to the committees and to the State Administrative Board for compliance with State and Administrative Board requirements.
- Maintains the State Administrative Board web site and records.

This procedure supersedes all previously distributed procedures for 0620.01.

**\*\*\* On May 24, 2002, MCL 17.1 was amended to add the Director of the Michigan Department of Transportation to the members of the State Administrative Board. Our procedures need to be updated to reflect this addition.**